

## Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 03522 231903Z

ACTION AGRE-00

INFO OCT-01 EUR-12 IO-14 ISO-00 CEA-01 CIAE-00 COME-00

DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15

STR-07 ITC-01 TRSE-00 USIA-15 SP-02 SOE-02 OMB-01

DOE-11 /127 W

-----002857 240328Z /75

R 231829Z FEB 78

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 5080

INFO ALL EC CAPITALS

USMISSION GENEVA

UNCLAS BRUSSELS 03522

USEEC

PASS AGRICULTURE ELECTRONICALLY

PARIS ALSO FOR USOECD

GENEVA ALSO FOR USMTN

E.O. 11652: N/A

TAGS: EAGR, EEC

SUBJ: COMMISSION VIEWS ON U.S. EXPORT ADMINISTRATION ACT

REF: STATE 16183

1. SUMMARY: COMMISSION OFFICIALS FEEL THAT THE PROPOSED AMENDMENT OF THE U.S. EXPORT ADMINISTRATION ACT, WHICH WOULD EXEMPT FOREIGN BUYERS OF U.S. AGRICULTURAL COMMODITIES STORED IN THE UNITED STATES FROM EXPORT CONTROLS, APPEARS TO BE TOO LIMITED TO BE OF USE TO THE EC. END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 03522 231903Z

2. COMMISSION OFFICIALS IN DG VI (AGRICULTURE) ADVISE US THAT THEY ARE PREPARING A LETTER GIVING THEIR VIEWS ON THE PROPOSED AMENDMENT TO THE U.S. EXPORT ADMINISTRATION ACT OUTLINED IN THE REFTEL. THEY ANTICIPATE THAT THIS LETTER WILL BE CLEARED INTERNALLY WITHIN THE NEXT WEEK.

3. THESE OFFICIALS FEEL THAT THE APPLICATION OF THE AMENDMENT IN QUESTION IS SO LIMITED AS TO MAKE IT HIGHLY UNLIKELY THAT THE EC COULD MAKE USE OF IT. THEY VIEW THE AMENDMENT AS AIMED PRIMARILY AT STATE-TRADING COUNTRIES. THEY NOTE THAT IT WOULD APPLY ONLY TO STOCKS OWNED OR CONTROLLED BY THE GOVERNMENT AND THAT IT WOULD NOT PROTECT COMMERCIAL CONTRACTS OR STOCKS HELD BY PRIVATE TRADERS. THUS, THEY DID NOT SEE THAT IT COULD HAVE MUCH RELEVANCE TO THE EC WHERE THE COMMODITY TRADE IS IN PRIVATE HANDS--UNLESS THE COMMUNITY EMBARKED ON A NEW POLICY OF STOCKPILING SOYBEANS OR CORN.

4. ON THE OTHER HAND, THE OFFICIALS THOUGHT THAT IT WAS THEORETICALLY CONCEIVABLE THAT THE EC MIGHT WISH TO MAKE SOME USE OF THE NEW AMENDMENT IN THE CONTEXT OF AN INTERNATIONAL GRAINS AGREEMENT (IF CONCLUDED). IN THIS HYPOTHETICAL CASE, THEY VIEWED THE PROVISION OF THE AMENDMENT REQUIRING THAT STOCKS COULD NOT BE USED FOR RESALE OR USE BY ANOTHER COUNTRY AS EXCESSIVELY RESTRICTIVE. THEY ENVISAGED A SITUATION WHERE THE EC MIGHT WANT TO MAKE USE OF STOCKS HELD IN THE UNITED STATES TO MEET ITS FOOD AID OBLIGATIONS. THEY ALSO FELT THAT THE FOREGOING REQUIREMENT COULD CREATE DIFFICULTIES IF AN INDIVIDUAL MEMBER COUNTRY DECIDED TO HOLD STOCKS IN THE UNITED STATES UNDER THE EXEMPTION PROVIDED BY THE AMENDMENT. (EXCEPTING STRATEGIC OR UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 03522 231903Z

MILITARY RESERVES--WHICH, OF COURSE, WOULD NOT BE HELD OUTSIDE THE COUNTRY--ONLY ITALY MAINTAINS A GOVERNMENT-OWNED "NATIONAL RESERVE" OF GRAIN AT PRESENT.) EC MEMBER COUNTRIES COULD NOT GUARANTEE THAT COMMODITIES WOULD NOT BE SOLD TO OTHER MEMBER STATES WITHOUT BREACHING THEIR EC OBLIGATIONS.

5. COPIES OF THE EC LETTER WILL BE TRANSMITTED TO THE APPROPRIATE AGENCIES IN WASHINGTON UPON RECEIPT.  
HINTON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, COMMODITIES, AGRICULTURAL PRODUCTION, TRADE LAW, VENDORS, TAX RELIEF, CUSTOMS ADMINISTRATION, EXCEPTIONS LIST  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRUSSE03522  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780085-0423  
**Format:** TEL  
**From:** BRUSSELS USEEC  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780224/aaaaatyt.tel  
**Line Count:** 104  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** aa6c9ed1-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION AGRE  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 16183  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3510821  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COMMISSION VIEWS ON U.S. EXPORT ADMINISTRATION ACT  
**TAGS:** EAGR, US, EEC  
**To:** STATE  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/aa6c9ed1-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014